

The Arts Talk Economics



The Arts Talk Economics

Foreword

I believe that studies emphasizing the economic effects of the arts should be given an important place on the agenda of studies of the Arts Endowment's Research Division. It is clear to me from my experience working with Senator Pell, administering private arts organizations and helping to work with the Congress on the legislation which created the Arts Endowment, as well as from working in the Endowment, that many people are not aware of arts institutions as being economic units which relate to other service establishments in their communities.

They make a significant contribution to employment, personal income, government revenues, business volume, and the local credit base. Well documented research reports can help to make this information more widely understood and be very useful for public policy planning at both the Federal and local level, because they permit more accurate estimates of the economic benefits a community receives from the arts. It has been shown that arts institutions may generate as much or more in tax revenues than they receive from local governments in support. That these facts continue to surprise many people confirms my belief that research of this type is necessary to improve the quality of planning public policy.

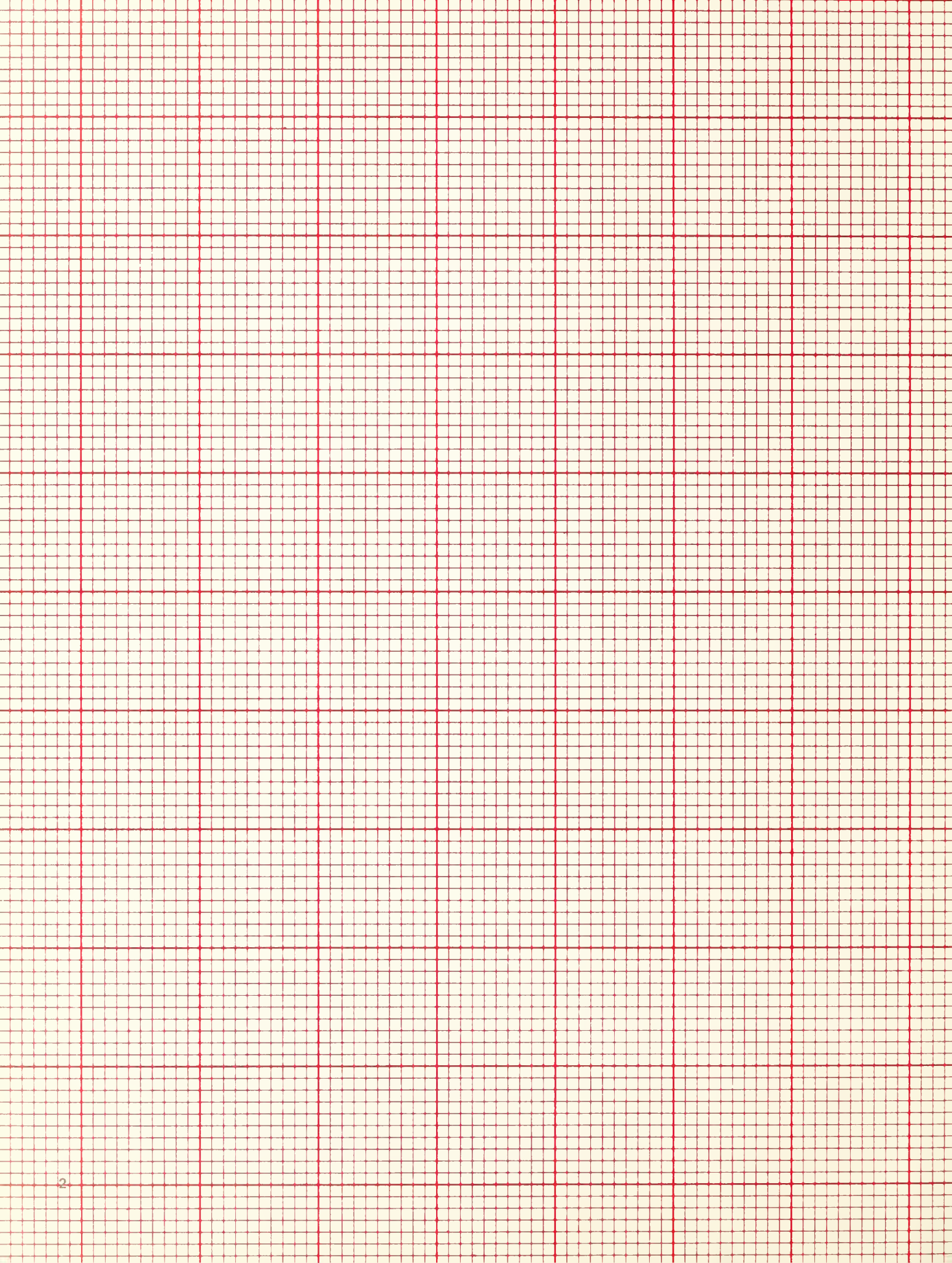
I am very pleased with the approach that has been taken by the Research Division in striving for the highest quality and credibility. Its work on economic effects has moved through stages that have taken five years to complete. Much of it was done for the Arts Endowment by The Center for Metropolitan Planning and Research at The Johns Hopkins University. Dr. Katherine Lyall, a noted economist of the Center and former Deputy Assistant Secretary for Economic Affairs, Department of Housing and Urban Development, modified a highly regarded economic impact model for this purpose. The model utilized is one that was developed for the American Council on Education by J. Caffrey and H. Isaacs. The data to test the modified model was collected from eight institutions in Baltimore by Dr. David Cwi. When this work had been completed, it was published by the Arts Endowment and reviewed with participants from the arts fields at a workshop conducted at The Walters Art Gallery.

The most recent phase in the study was to use the tested model in a diverse group of six communities: Columbus, Ohio; Minneapolis and St. Paul, Minnesota; St. Louis, Missouri; Salt Lake City, Utah; San Antonio, Texas; and Springfield, Illinois. The results from this most recent phase are summarized in this publication prepared by the National Assembly of Community Arts Agencies. NACAA, the National Assembly of State Arts Agencies, National League of Cities, U.S. Conference of Mayors, and the National Governors Association were represented on an advisory committee that helped select the six cities from about 75 that expressed interest.

A very large number of persons in the six communities participated in the local data collection that was required. I extend my appreciation on behalf of the National Endowment for the Arts to everyone who contributed to this large effort. The six city examples described in this report can be used as illustrations by towns and cities, large and small, throughout the country, of the extent of the economic effects that their own institutions probably have within their communities.

In considering the arts we need to think of all their values, the intangible as well as the tangible. This publication focuses on tangible values which are of considerable significance.

Livingston L. Biddle, Jr.
Chairman
National Endowment for the Arts
December 1980



The arts world has discovered a new way to explain its place in society. The arts talk economics. The financial squeeze caused by inflation and increased public demand for services has forced intensified fund raising efforts. As fund raising becomes more competitive, contributors (individual, corporate, foundation, and government) ask more and tougher questions. Among other things, those in control of the purse strings want to know what impact their contributions to the arts will have on the local purse. Concurrently, arts agency boards and administrators need hard facts about economics and their audience to help make program and marketing decisions.

To the surprise of some, economic impact studies have shown that the arts play an important role in the local economy. As this report indicates, the overall impact is quite significant. Employment rates, business enterprises, the local credit base and the local government tax base are all affected by the arts.

The report and analysis is primarily based upon information generated by a set of six studies of the economic impact of the arts. Four of the studies were conducted by local arts councils. The others were by a local arts alliance and a state arts agency. These organizations worked with their local arts institutions to collect the tremendous volume of data that went into this analysis. As is detailed in the full published report, the motivations, approaches, and resources of the organizations were diverse, as are the communities themselves. The six studies were supported by the Research Division of the National Endowment for the Arts and they were coordinated by the Johns Hopkins Center for Metropolitan Planning and Research.

Economic impact studies like these have taken their place in dozens of communities as part of the arsenal for building support for the arts in America. The fiscally conservative governor of a large Eastern state recently declared that he increased the budget for the state arts agency by 45% when he was shown that the state's investment in the arts would reap economic rewards. This is both an encouraging and a disquieting development. To the extent that economic impact information helps generate understanding of the total role of the arts in society and to the extent that it helps make the case for increased support, it is a positive development. On the other hand, there are serious risks.

The economic impact may not always be considered positive. For example in a period of austerity some may consider stimulation of individual and government spending, even for the arts, counter to the national interest.

Perhaps more seriously, a management eye on economic impact could result in an imbalance in arts programming. Most of the positive economic impact can be attributed to a few major institutions that draw large audiences. Small, esoteric, avant-garde and neighborhood programs rarely demonstrate a significant or positive financial return for the investment. Yet, these programs are vital to the quality and diversity of cultural life in the community.

If those who fund the arts do so purely for economic reasons, they may want their money to support those activities which generate a larger economic return. The programs which bring new color and diversity but small audiences could suffer. If they suffer, so do we all.

The following report was prepared to help arts administrators and board members better understand the economic impact of their work. It also provides basic information which they can use in discussing the economic impact of their programs with government, foundation and corporate officials. The report should also be valuable for those officials themselves. In addition to explaining and illustrating the economic impact, we have tried to put the economic aspect of the arts into perspective.

For many communities the information contained in this report will be sufficient to indicate the probable local economic impact of existing and proposed programs. For others, it may indicate the need for a local study. Whatever use is made of this report, we hope that it will contribute to an understanding of the place of the arts in the community.

Charles F. Dambach
Executive Director

National Assembly of Community Arts Agencies

What Is Meant By Economic Impact Of The Arts?

The economic impact of the arts can be defined as the total financial consequences of arts spending on the rest of the economy. When a dollar is spent by a cultural facility, that dollar is spent over and over again by individuals and businesses throughout the community. Arts organizations directly affect a city's economy by paying wages and salaries to their employees, and by purchasing goods and services from local businesses.

For example, a theater pays salaries to its actors. It also pays electric and telephone bills, and it pays a local carpenter to construct the sets. The money the theater spends to bring together all elements of its production—the wages and salaries it pays its employees and the goods and services it buys—can be referred to as the “direct effects” of the arts industry.

This institutional spending triggers additional rounds of spending. The lumber supply company which provides materials for the theater's set has to maintain its inventory to fill the theater's order. This increased volume of business may help enable the company to hire a part-time bookkeeper. This bookkeeper in turn may decide that, with her increased earnings, she can now afford to buy a new car, which sets off another round of spending. The consequences are endless—the “stone thrown into the lake” pushing out ripples across the surface of the economy.

The arts further contribute to economic development by drawing visitors—both suburbanites and tourists—into the city. The presence of these visitors creates a market for local businesses. A 1979 study prepared for the U.S. Congress entitled *Central City Business—Plans and Problems* identified cultural attractions as one of the seven most important variables influencing businesses in their relocation and/or expansion decisions. A new performing arts center, for example, which is constructed in an underdeveloped area of the city can attract retail stores, new investments, other businesses, and residents to a previously-neglected area. That performing arts center can also improve community pride and spirit, and enhance the chances for the success of major downtown development projects.

A lively arts industry also can help the economy by attracting tourists to a city. Millions of people travel each year to communities to take advantage of cultural opportunities. Like new business and industry, tourists stimulate the economy by spending money in hotels, restaurants, shops, parking garages, and for other goods and services. As we have seen, this tourist spending has spin-off effects in other sectors of the economy. Advocates of the arts have long recognized the special relationship between the arts and the economic welfare of a city—the arts play an important role in decisions people make about where to live, work and play.

Furthermore, in return for government spending, the arts return money to the government, primarily in the form of tax revenues. Some arts activities even generate more in tax revenues than they get in appropriations. Others may not generate as much as they receive, but they do return some.

The “stone thrown in the lake” sends ripples pushing out across the surface of the economy.



Why Study the Economic Impact?

The primary purpose of artistic and cultural institutions is to add to creative expression and quality of life, more than to generate dollars and jobs for the community. To substitute the economic value of the arts for their human, spiritual and aesthetic value could be dangerous. The economic value of the arts should be viewed as a by-product and not the primary reason for their existence. It would be a serious and self-defeating mistake for arts organizations to make artistic decisions on the basis of potential economic impact.

However, because the arts compete with other activities in the city for financial support, and because the need for arts support has risen, arts agencies wish to demonstrate that the arts benefit the community economically. Economic impact studies show how money flows between the arts and the local economy. They show that the arts can enhance rather than drain the economy and tax base of a community.

Arts economic impact studies also can be used to influence resource allocations from government and private sources. During a 1977 National Endowment for the Arts research workshop, it was noted that "in the competition for public dollars, economic impact information was what legislators 'listened to.' By having this information available, legislators would find it easier to justify arts appropriations . . ." The arts return a portion of public funds, and also generate economic benefits throughout the community. Economic impact studies can tell the businessman that he is investing wisely. They are an effective consciousness-raising tool, because they sensitize government, business, foundations and the general community to the arts. The arts can gain a competitive advantage for increasingly hard-to-get funding by participating in the studies.

More specifically, economic impact studies can affect the following areas of advocacy and community planning. They can help to preserve and increase local and state art budgets, promote tourism, and assist in long-range planning by local and state arts councils. They may interest local tourist development agencies in the arts, provide a basis for approaching economic development organizations, and assist the private sector (restaurants, tour operators, vendors, etc.) in appraising their potential markets.

Economic impact studies are also useful for internal policy analysis and forecasting. Organizations may learn more about their operations and markets. Using study data, institutions may find they can make better use of their limited resources.

The economic value of the arts should be viewed as a by-product and not the primary reason for their existence.

Cultural attractions are one of the seven most important variables influencing businesses in their relocation decisions.

Summary of Direct Effects

This data is from a report entitled *Economic Impact of Arts and Cultural Institutions, Case Studies in Columbus, Minneapolis/St. Paul, St. Louis, Salt Lake City, San Antonio, Springfield*. The studies coordinated by the Johns Hopkins Center for Metropolitan Planning and Research in 1978 and 1979, analyzed the economic effects of arts institutions in Columbus, Ohio; Minneapolis/St. Paul, Minnesota; San Antonio, Texas; Salt Lake City, Utah; Springfield, Illinois; and St. Louis, Missouri. These six cities are illustrative of how the arts can impact local economies.

Direct economic effects refer to the initial round of spending brought about by the institutions. The 49 institutions surveyed, as well as their employees, guest artists and audiences, spent money in the community. The arts institutions benefitted the community directly by creating jobs for employees and guest artists. These jobs provided income to the employees and guests artists, which they spent to purchase goods and services for themselves in local businesses. In addition, the audiences spent money in connection with their visits to arts events—they went to restaurants; they bought art objects from museum shops; they bought gasoline; they parked their cars in commercial garages.

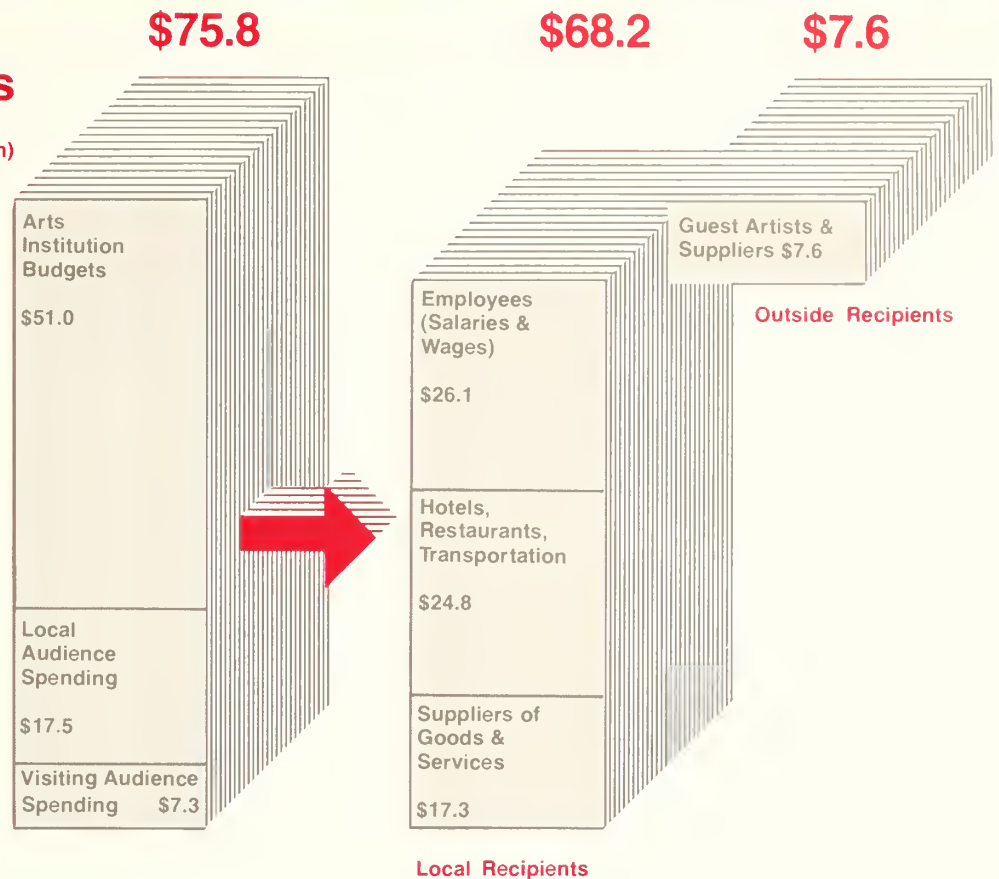
The arts institutions generated \$76.3 million of total direct spending of which \$68.6 million was spent locally.

Arts Institution Direct Spending

Table 1

	Devoted to Local Wages	Locally Purchased Goods and Services	Non-local Salaries, Purchased Goods and Services
Columbus	48%	36%	16%
Minneapolis	50%	34%	16%
San Antonio	49%	31%	20%
Salt Lake City	51%	30%	19%
Springfield	51%	21%	28%
St. Louis	55%	38%	7%

Total Direct Arts Spending (\$ million)



The arts institutions generated \$76.3 million in total direct spending, of which \$68.6 million was spent locally, by the 49 institutions themselves, their employee households, guest artists and audiences (See Table 1). The institutions had operating budgets totalling \$51 million, 51% (\$26 million) of which was devoted to local salaries and wages. The institutions spent \$17.3 million (34%) of their total operating budgets locally for goods and services. Overall, a very large proportion—some 85% (\$43.4 million)—of the institutions' total operating budgets were spent locally for wages, goods and services.

The largest amount of total local spending went for institutional payrolls. Audiences, both residents and visitors, also accounted for a large proportion of local spending (See Table 2). Local audiences and visitors who came to the city solely to attend the arts event (sole reason—visitors) spent \$17.5 million and \$7.3 million, respectively, representing 25% and 11% of total local expenditures. Guest artist spent \$472,974, or 1% of total local expenditures. Spending by visitors who did not come to the city solely to attend the arts activity (non-sole-reason visitors) was not included in local spending. This is because, other than admission costs, it would have been difficult to accurately determine what portion of this visitor spending was attributable directly to the arts.

Visiting Audience Spending includes only the expenses for food, lodging, and other goods and services of people who visited the city for the sole purpose of attending an arts event. It does not include the price of admission.

Local Audience Spending includes only the expenses of city residents for food, transportation, etc., that was directly related to attending an arts event. It does not include the price of admission.

Arts Institution Budget includes the total combined budgets of all institutions included in the study. The sources of these funds include individual, corporate, foundation and governmental support plus ticket sales and income from other projects.

The largest amount of spending went for institutional payrolls.

Summary of Direct Effects

Summary of Direct Effects for 49 Cultural Institutions in Six U.S. SMSAs

Table 2

SMSA Population	1,068,514	2,063,770	996,800	839,600	374,100	2,453,000	7,795,784
City and Number of Institutions	Columbus 6	Minneapolis/ St. Paul 10	San Antonio 5	Salt Lake City 10	Springfield 10	St. Louis 8	TOTAL 49
Total Attendance	698,920	2,765,448	467,350	348,772	410,411	2,503,500	7,194,401
Local expenditures for goods and services	\$ 1,525,012 (24%)	\$ 7,335,778 (26%)	\$ 940,226 (25%)	\$ 1,804,405 (30%)	\$ 396,654 (13%)	\$ 5,248,714 (25%)	\$17,250,789 (25%)
Employees salaries and wages	2,045,981 (32%)	10,852,362 (38%)	1,485,402 (40%)	3,115,024 (51%)	981,461 (33%)	7,652,004 (37%)	26,132,234 (38%)
Local audience spending	1,669,070 (26%)	7,339,916 (26%)	692,722 (19%)	749,467 (12%)	431,526 (14%)	6,600,197 (32%)	17,482,898 (25%)
Non-local sole-reason audience spending	964,368 (15%)	2,967,612 (10%)	585,469 (16%)	381,491 (6%)	1,133,727 (38%)	1,290,134 (6%)	7,322,801 (11%)
Guest artist spending	132,390 (2%)	104,223 (**)	32,224 (**)	30,110 (**)	54,451 (2%)	119,576 (**)	472,974 (1%)
Total	\$6,336,821	\$28,599,891	\$3,736,043	\$6,080,497	\$2,997,819	\$20,910,625	\$68,661,696

Attendance figures do not include attendance at in-school performances and events outside the SMSA.

Budgets exclude depreciation and capital expenses.

**Indicates less than 1%.

Columns may not total 100% due to rounding.



Summary of Secondary Effects

The “initial expansion of the local credit base” amounted to \$20.9 million.

The money spent by the institutions, their employees, guest artists and audiences is respent by the businesses benefitting from their purchases. As indicated above, the direct spending engenders additional rounds of spending

Institutional buying in local business firms resulted in an increase of over \$129,380,000 in their sales volume. Businesses selling goods and services to the arts institutions provided 6,771 full-time jobs, with income totalling \$49.2 million (See Table 3).

The studies also estimated the amount of money that was deposited in local checking and savings accounts by the institutions, their employees and businesses profiting from the institutions' spending. This total, called the “initial expansion of the local credit base,” amounted to \$20,863,712.

Finally, the studies determined that the local firms patronized by the institutions invested \$37,822,775 in real estate, equipment and increased inventory, which was necessary to meet the institution related demand for goods and services.



Summary of Secondary Effects for 49 Cultural Institutions in Six U.S. SMSAs

Table 3

City and Number of Institutions	Columbus 6	Minneapolis/ St. Paul 10	San Antonio 5	Salt Lake City 10	Springfield 10	St. Louis 8	Total 49
Business volume	\$10,539,968	\$57,211,537	\$6,185,327	\$9,978,282	\$3,223,011	\$42,246,030	\$129,384,155
Personal income	4,044,301	21,720,604	2,345,260	3,876,184	1,316,946	15,899,168	49,202,463
Initial expansion of the local credit base	3,221,487	6,849,136	862,529	2,970,735	901,705	6,058,120	20,863,712
Current value of back-up inventory, equipment and property	\$4,442,864	\$15,837,042	\$1,044,720	\$2,408,853	\$1,643,852	\$12,445,444	\$37,822,775
Full-time jobs	574	3,053	347	631	161	2,005	6,771

Does not include salaries and jobs at the examined cultural activities. However the 49 institutions provided 1,618 full-time jobs and numerous part-time employment opportunities paying \$26,132,234 in salaries and wages.

Audience Data

The studies showed that the arts attracted a large number of visitors—both suburbanites and tourists—to the city. Fifty percent of the typical audience was comprised of suburbanites and tourists. Of a total audience of nearly 7.2 million during the period examined, 20% (1.4 million) were tourists (See Table 4).

Museums drew considerably more people than did the performing arts. More visitors—especially tourists—went to the museums than any other type of institution. Tourists accounted for a small proportion of performing arts audiences.

Fifty percent of the typical audience was comprised of suburbanites and tourists.

Even when arts activities were not solely responsible for visits to the city, they often were among other planned activities. Thus, the arts may have contributed to increasing the number of visits to the community.

Summary of Audience Data¹

Table 4

City and Number of Institutions	Columbus 6	Minneapolis/ St. Paul 10	San Antonio 5	Salt Lake City 10	Springfield 10	St. Louis 8	Total 49
Attendance							
Local attenders	574,904	2,389,824	278,406	316,994	196,951	1,995,972	5,753,051
Non-local sole reason attenders	66,970	112,197	15,692	11,337	50,817	39,672	296,685
Other visitors	57,046	263,427	173,252	20,441	162,643	467,856	1,144,665
Total²	698,920	2,765,448	467,350	348,772	410,411	2,503,500	7,194,401
Per Capita Spending By							
Local attenders	\$ 2.90	\$ 3.07	\$ 2.49	\$ 2.36	\$ 2.19	\$ 3.31	\$ 3.04
Non-local sole reason attenders	14.40	26.45	37.31	33.65	22.31	32.52	24.68
Other visitors	89.44	69.54	91.66	103.29	65.37	157.04	109.72
Total Spending By:							
Local attenders	\$1,669,070	\$ 7,339,916	\$ 692,722	\$ 749,467	\$ 431,526	\$ 6,600,197	\$ 17,482,898
Non-local sole reason attenders	964,368	2,967,612	585,469	381,491	1,133,727	1,290,134	7,322,801
Other visitors	5,102,194	18,318,714	15,880,278	2,111,351	10,638,597	73,472,106	125,523,240
Total (excluding other visitors)	\$2,633,438	\$10,307,528	\$ 1278,191	\$1,130,958	\$1,565,253	\$ 7,890,331	\$ 24,805,699

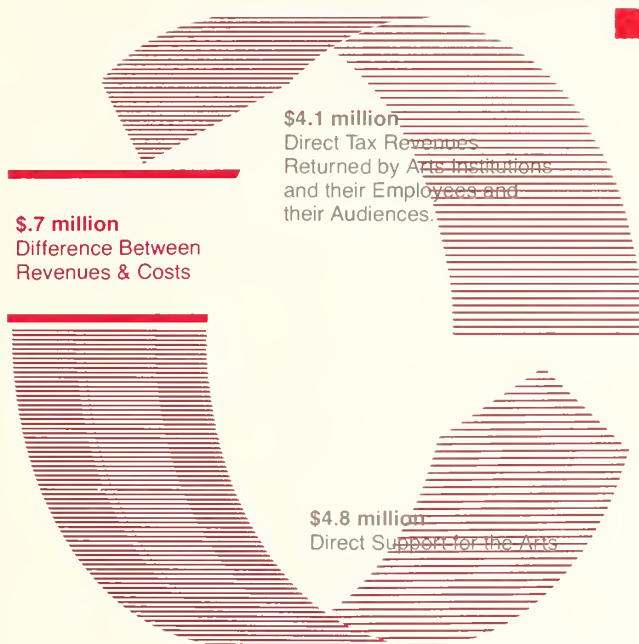
Source: Audience Surveys and Institutional Data Inventories.

¹ Surveys conducted in Fall and Winter of 1978–79. Attendance adjusted to exclude in-school performance and institutional events outside the SMSA. The average reported for all institutions is weighted based on this adjusted attendance. See full published report for information on methods and procedures.

² From Institutional Data Inventory, excludes attendance at in-school performances and attendance at events outside SMSA.

³ Included in economic impact analysis.

Local Government Revenues and Expenditures



In addition to estimating the direct and secondary effects and the audience data discussed above, the study also showed that local government gets back a substantial portion of the money it contributes to the arts.

Major sources of revenues for local government were sales, income and property taxes, with property taxes being the single largest revenue source in each city, ranging from 47-76% of total revenues. Local real estate taxes paid by the institutions, their employees and business property servicing the institutions amounted to \$2,862,535 in fiscal 1978. Local sales, income, lodging, gasoline and admission taxes, and parking revenues provided an additional \$1,213,813 in local government revenues, for a total of \$4,076,348 (See Table 5). No attempt was made to assess the tax effects of secondary business volume, personal income or jobs, or of more indirect effects, such as business and household location decisions, business opportunities or area stability.

Costs to local governments included \$4,757,457 in grants, contracts and operating subsidies. For the group of 49 institutions as a whole, 11 derived 40% or more of operating revenues from governmental sources, 9 derived 20% to 40%, 6 derived 10% to 20%, 15 derived less than 10%, and 3 reported no income from government.

The local governments of the six cities as an aggregate recouped 85% of their investments in the arts in the form of tax revenues generated directly by the institutions. The institutions cost local governments about \$4.7 million, the institutions returned more than \$4 million, for a net cost to government of \$.7 million. It should be pointed out, however, that the cost/revenue figures varied for individual cities: half of the cities' local governments received more in tax revenues from the arts than they put in.

The local governments of the six cities as an aggregate recouped 85% of their investments in the arts in the form of tax revenues generated directly by the institutions.

Government Funding of 49 Arts Institutions¹

Table 5

City	Columbus	Minneapolis/ St. Paul	San Antonio	Salt Lake City	Springfield	St. Louis	Total
Federal ²	\$121,875	\$ 789,941	\$ 264,900	\$ 700,290	\$ 51,455	\$ 803,039	\$ 2,731,500
State	\$ 94,078	\$ 680,855	\$ 3,840	\$ 855,630	\$1,467,130	\$1,080,797	\$ 4,182,330
Local ³	\$ 88,327	\$ 77,500	\$ 807,020	\$ 385,462	\$ 23,650	\$3,375,498	\$ 4,757,457
Total	\$304,280	\$1,548,296	\$1,075,760	\$1,941,382	\$1,542,235	\$5,259,334	\$11,671,287

Source: Institutional Data Inventories, Auditors' Reports 1977-1978.

¹Excludes non-operating grants.

²Excludes CETA funds.

³Includes all revenues received from governments in the Standard Metropolitan Statistical Area (SMSA).

The Arts in the City and the Center City



■ The true significance of the arts in economic development may lie not so much in quantifiable direct and indirect effects on the economy of a community, but rather in improving the attractiveness of the city and the center city.

Corporate leaders have confirmed that an active and high quality cultural life is a significant factor in determining new business locations. Cities that offer strong arts activities can better attract more business. An editorial in the *St. Louis Post-Dispatch* noted that, "Art patrons from business, the professions and labor recognize that the cultural atmosphere of a community can be as important as its climate . . ."

The arts regularly bring suburban residents, tourists and convention visitors to the city and can help to draw people to redeveloped downtown areas. This helps to maintain and create markets for other city businesses and create an urban environment attractive to all.

The arts can contribute to changing a city's image, retaining downtown retail trade, drawing more tourists to the city, creating markets for new business, encouraging new private investment, and shifting commercial and private investment from suburban to city locations. They may also develop community pride and spirit and improve the chances for success of larger downtown development projects such as convention centers.

A Word of Caution

■ The figure of \$68.6 million of direct economic impact in six cities may lead some to believe that the arts are big business. This is simply not the case. The arts are important business. They are good business, but in purely financial terms, they remain small. To illustrate, the annual public school budget in Salt Lake City alone (the second smallest of the six cities) exceeds the total direct local economic impact of the examined arts institutions in all six cities combined.

Furthermore, there are limits on the interpretation of the data. For example, the report on the six city studies found that economic effects described may have occurred even if the examined institutions had not existed. Leisure-time dollars may have been spent in another way.

The cities vary tremendously in the strength of their local arts industry. Each city differed in the numbers and types of institutions compared. The quality of institutions is mixed. Some institutions may not draw as many tourists as others because they may be sold out locally, may not be as well-known outside the community, or may be inconveniently located. Admission costs vary greatly, as does the ease of ticket purchase. Museums, for example, may be open daily and have free admission, while the performing arts may offer tickets only at the box office or by subscription, and may offer only a few performances a year.

Finally, there are data collection constraints. The audience surveys were taken in the late fall and winter, which may have curtailed the number of out-of-towners. The study does not include commercial enterprises or individual artists and craftsmen; it includes only non-profit corporations and government agencies. No attempt was made to quantify the more subtle effects of cultural activities, which may have significantly increased the economic benefits which could be claimed for the arts.



Some Advice on Conducting an Economic Impact Study

Prior to the study, decide how to use the audience and related research.

The six-city experience proved that different types of arts agencies and different types of cities could conduct a valid economic impact study. Its report recommended that the arts agency be committed to conducting the study seriously and that the community be willing to cooperate, including local planning departments and other community agencies. Institutions have to be willing to cooperate fully in conducting audience surveys as well as in providing access to their internal records. The level of effort spent on doing the study should be linked with its purpose. If the study is to be used solely to change perceptions about the arts, less effort would be required than for one to be used to establish a database valuable for future decision-making.

It might be possible to increase the impact of a study by approaching community agencies, foundations and legislators beforehand to find out what issues they might like to see addressed in a study. Prior to the study, arts institutions and agencies should decide how they might want to use the audience and related research. Participating cultural institutions and interested community agencies could include the study in their decision agenda.

If the arts agency wants to be considered a source of quality data on the arts community, then it must spend considerable effort on producing a quality study.

Reference Materials

A copy of the full text of *Economic Impact of Arts and Cultural Institutions: Case Studies in Columbus, Minneapolis/St. Paul, St. Louis, Salt Lake City, San Antonio, Springfield*. (\$3.50) along with technical supplements documenting the study procedures and presenting the audience, institution and staff data for each city, are available through:

The Publishing Center for Cultural Resources
625 Broadway
New York, New York 10012
Telephone (212) 260-2010

The pilot study for this project, *Economic Impacts of Arts and Cultural Institutions: A Model for Assessment and a Case Study in Baltimore*, is also available from: the Publishing Center for Cultural Resources. In addition, other reports on economic impact studies are available through the Center.

Also available is *The Role of the Arts in Urban Economic Development* from:

U.S. Department of Commerce
Economic Development Administration
Washington, D.C. 20230

Information about other economic impact studies is available from NACAA.

Participating Institutions and Principal Study Staff

Columbus, Ohio

■ The Greater Columbus Arts Council

Ric Wanetik, Executive Director
Tim Sublette, Assistant Director

Ballet Metropolitan
Columbus Museum of Art
Columbus Symphony Orchestra
Center of Science & Industry
Players Theatre of Columbus
Columbus Association for the Performing Arts (Ohio Theatre)

Minneapolis/St. Paul, Minnesota

■ The Twin Cities Metropolitan Arts Alliance

William Driver, Managing Director
Dr. Julien Philips

The Children's Theatre
Chimera Theatre
The Cricket Theatre
The Guthrie Theater
Minneapolis Institute of Arts
Minnesota Dance Theatre
Minnesota Orchestra
St. Paul Chamber Orchestra
Walker Art Center
The Science Museum of Minnesota

San Antonio, Texas

■ The Arts Council of San Antonio

Robert Canon, Executive Director
Nancy Broomall, Assistant Director

San Antonio Symphony
San Antonio Opera
The Witte Museum
Museum of Transportation
The Carver Cultural Center

Salt Lake City, Utah

■ The Utah Arts Council

Ruth Draper, Executive Director
John M. Garbett, Intern, University of Utah

Ballet West
Pioneer Memorial Theatre
Repertory Dance Theatre
Salt Lake Art Center
Theatre 138
Tiffany's Attic
Utah Museum of Fine Arts
Utah Symphony
Utah Opera Company
Ririe-Woodbury Dance Co.

Springfield, Illinois

■ Springboard

Charles Kirchner, Board of Directors
Dr. Philip Gregg, Sangamon State University

Springfield Symphony Orchestra
Springfield Theatre Guild
Springfield Art Association
Springfield Ballet
Art Collection in Illinois State Museum
Old State Capitol
Community Concert Series
Springfield Municipal Opera
Old State Capitol Art Fair
Great American People Show

St. Louis, Missouri

■ The Arts and Education Council of Greater St. Louis

Richard Tombaugh, Executive Director
Joe Davis, Resources Management, Inc.

St. Louis Art Museum
St. Louis Conservatory & School for the Arts (CASA)
St. Louis Symphony
Missouri Botanical Garden
McDonnell Planetarium
Loretto-Hilton Repertory Theatre
Museum of Science and Natural History
Dance Concert Society

Conducting an economic impact of the arts study in a local community is a highly technical and specialized project. Few if any arts organizations have in-house expertise, not to mention the time, to develop and conduct a study. Assistance may be available, however, from local sources.

The chamber of commerce in larger communities is vitally interested in the economic impact of each sector of the local economy. If asked, they may sponsor and/or conduct a study. Regional councils of government are also interested and may have the staff and resources to conduct a viable study. Another source is a local or nearby college or university with graduate programs in public or business administration. Students and faculty at these institutions are often eager to find local projects such as this to fulfill their research and publication obligations and their community service responsibilities.

Another potential source of expertise would be a large corporation. Staff economists often analyze the economic impact of the company and ancillary businesses. They may have the expertise to do an economic impact of the arts study. If the corporation is a major supporter of the arts, it may have a special interest in the economic impact of its contribution.

Acknowledgements

This publication is the result of the combined efforts of many organizations and talented people. The Research Division of the National Endowment for the Arts provided funding for the economic impact studies and for the publication of this report. A national advisory committee selected the six cities.

The committee included:
The U.S. Conference of Mayors, Jim Gasser
National League of Cities, Bette Treadwell
National Governors' Association, Joan Simmons
National Assembly of State Arts Agencies, Ken Kahn
National Assembly of Community Arts Agencies, John Blaine

Each local sponsor selected its own Study Coordinator, who participated in an orientation workshop. Data was acquired from institution accounts, audience and employee surveys and local government. Dr. David Cwi of the Johns Hopkins Center for Metropolitan Planning and Research provided the design and monitored the progress.

Sharon Schultz, on a contract with NACAA, reviewed the detailed and technical material from each city, discussed it with the local study coordinators, Dr. Cwi and others, and wrote the text.

Photo Credits

p. 4 Barbara Bryne as Marguerite Gautier in
The Guthrie Theatre's production of *Camille*.
Photo by Bruce Goldstein

p. 8 The Guthrie Theater's Production of
A Christmas Carol with Jeff Chandler as
Scrooge. Photo by John Louis Anderson

p. 17 Christopher Hewitt in *A Funny Thing*.
Pioneer Memorial Theatre, Salt Lake City, Utah
Photo by Robert Clayton

Root & Chester Design

NACAA is a private, non-profit membership organization which provides services for and represents the interests of local arts agencies (arts councils, municipal arts commissions, etc.). Services include information clearinghouse, newsletter, annual convention, symposia, technical assistance, research and publications. For further information write: **NACAA, 1625 Eye St. NW, Suite 725A, Washington, D.C. 20006.**



The Arts Talk Economics



The Arts Talk Economics

